



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374-A
LOS ANGELES, CALIFORNIA 90012**

Wednesday, September 18, 2013

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (13-4429)

Attachments: [AUDIO](#)

Present: Chair Dorinne Jordan, Member Louisa Ollague, Member Kieu-Anh King and Member Lori Glasgow

Excused: Vice Chair Carl Gallucci

Call to Order. (13-4035)

The meeting was called to order by Chair Dorinne Jordan at 10:35 a.m.

I. ADMINISTRATIVE MATTER

1. Approval of the August 21, 2013 meeting minutes. (13-4036)

On motion of Kieu-Anh King, seconded by Avianna Uribe, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

2. Recommendation to approve amendments to Board Policy No. 9.000 - LA COUNTY STARS! (Special Talents for Achieving Remarkable Service) County Employee Recognition Program, and extend the sunset review date to November 19, 2017 (9/5/13). (13-4284)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

3. Recommendation to extend the sunset review date of Board Policy No. 9.020 - Employee Accountability, to November 19, 2017 (9/5/13). (13-4285)

Sandra Sims, Department of Human Resources, reported that a statement was added to the responsible department section of the Policy in 2009, and there was no additional changes needed.

In response to questions posed by Lori Glasgow, Henry Lucio, Department of Human Resources, reported that the County-wide disciplinary guidelines, executed in collaboration with all departments, were issued by the Department of Human Resources in December 2012.

Lori Glasgow expressed concern about current Chief Information Office initiatives to develop rules and regulations for the usage of County information technology and questioned the need to have other departments doing the same thing.

Mr. Lucio reported that statements in the Policy are very broad to facilitate various areas of expected accountability in the County.

Lori Glasgow requested that the Department of Human Resources share this policy with the Chief Information Office to assure that compatibility is present with their policies.

Kieu-Anh King instructed Department of Human Resources staff to move language from the third bullet point to the purpose section of the policy, as a second sentence.

Dorinne Jordan instructed Department of Human Resources staff to move language from the third bullet point to the first bullet point.

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was approved, as revised.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

4. Recommendation to extend the sunset review date of Board Policy No. 5.050 - Contractor's Use of GAIN/GROW Participants, to July 16, 2017 (5/6/13) (Continued from meetings of 6/27/13, 7/17/13 and 8/21/13). (13-2149)

Luther Evans, Department of Public Social Services, provided a brief overview on background with current program results. Mr. Evans explained that a vendor-contract list is used as a cross reference with the program participants; this determines hired program participants by contractors. Mr. Evans added that during the period of July 2006 to July 2013, the employment placements for GAIN are 6,097, and 1,209 for GROW.

In response to Dorinne Jordan, Mr. Evans explained that, historically, job placement staff recruit contractors then match the programs employable population for job placements. And, computing universal populations, GAIN at 60,000 and GROW at 50,000, the monthly employable averages of program participants employed are 2,300 and 1,700 respectively. Also, Debora Gotts, DPSS, explained that the currently there are no duplicate number of program participants.

Kieu-Anh King suggested exploring the possibilities of internal reviews of up and coming contracts to determine employment needs that could place program participants.

On motion of Dorinne Jordan, seconded by Avianna Uribe this item was approved with a Sunset Date of May 1, 2014 for further review at a future meeting.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to approve substantive changes to Board Policy No. 9.040 - Investigations Of Possible Criminal Activity Within County Government, extend the sunset review date to September 8, 2018 and submit to the Board of Supervisors for final action (7/2/13) (Continued from meeting of 7/17/13 and 8/21/13). (13-3313)

On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued with the following actions:

- **Approved extending the Sunset Review date to November 2013, without additional revisions**
- **Referred the policy to the Public Safety and Children & Families' Well-Being cluster**

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- **Continue to an Audit Committee meeting after the policy is discussed at cluster meetings**

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to approve amendments to Board Policy No. 4.030 - Budget Policies and Priorities and extend the sunset review date to July 1, 2017 (7/11/13) (Continued from meeting of 8/21/13). (13-3512)

On motion of Kieu-Anh King, seconded by Avianna Uribe this item was referred back to the CEO.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to extend the sunset review date for the following Board Policies:

6.100 - Information Technology and Security Policy
6.101 - Use of County Information Technology Resources
6.102 - Countywide Antivirus Security Policy
6.103 - Countywide Computer Security Threat Responses
6.104 - Use of Electronic Mail (e-mail) by County Employees
6.105 - Internet Usage Policy
6.106 - Physical Security
6.107 - Information Technology Risk Assessment
6.108 - Auditing and Compliance
(Continued from meeting of 8/21/13). (13-3018)

On motion of Avianna Uribe, seconded by Kieu-Anh King, the Sunset Review date was extended to January 2014.

Attachments: [SUPPORTING DOCUMENT](#)

8. Community Development Commission - Fiscal Review (6/20/13) (Continued from meetings of 6/27/13, 7/17/13 and 8/21/13). (13-2992)

Sean Rogan, Community Development Commission (CDC), reported that the audit was primary for calendar years 2009 through 2010 but was extended into additional calendar years. The review focused on the Human Resources division, the Payroll division and the Procurement division. Mr. Rogan reported that since the audit, policies, procedures and administrative changes have been implemented to address the concerns found by the Auditor-Controller. Mr. Rogan also reported that the greatest challenge is the reduction of federal funds. One of the measures taken to address procurement issues is an online procurement system, to be utilized by all of the divisions; the system is projected to be implemented within 12 months.

In response to questions posed by Kieu-Anh King, with regard to outreach efforts, Sean Rogan reported that there was confusion between efforts made for Request for Proposals (RFP) and Request for Statement of Qualification (RFSQ). Mr. Rogan added that changes have been made to the policy that include a process of posting solicitations over \$10,000 and an email notification for potential vendors.

Nancy Neville, Auditor-Controller, provided a brief description of CDC's outreach policy and reported that at the time of the review, email notifications were not part of the process.

In response to questions posed by Dorinne Jordan with regard to contracts or services reviewed for the RFP and RFSQ, Nancy Neville reported that a variety of services were analyzed in an effort to have a valid sampling.

Dorinne Jordan expressed concern about RFP and RFSQ proposals that were allowed to continue in the evaluation process, even after minimum requirements were not met and a possible conflict with evaluators monitoring contracts and evaluating proposals.

Karen Ramirez, Community Development Commission, reported that a new procurement officer has been hired and several safety features have been implemented in the RFP and RFSQ process.

Deanna Tantraphon, Community Development Commission, reported that everyone is required to complete the conflict of interest form.

Sean Rogan reported that County Counsel assists with the contracting process.

In response to Dorinne Jordan, Sean Rogan reported that since the Commission is mainly Federally funded, the retention process for documents is driven by Federal requirements and an initiative has been put in place to acquire a system that will facilitate scanning of documents that will eventually be saved and retained virtually only.

In response to questions posed by Dorinne Jordan with regard to initiatives for staff to track their time, Sean Rogan reported that there a multi-level approval process for time card entries and issues reflected in the report were with regards to the CDC Messenger being utilized inappropriately. The related policy was updated to reflect that the CDC messenger was only a tool to be utilized for advance notice of time off but the final record is manifested in the time card.

Kieu-Anh King expressed concern about a vast majority of the issues found to be related to the previous Procurement Officer and questioned whether oversight for the new Procurement Officer is any different.

Sean Rogan reported that existing policy, and having the prior Procurement Officer be responsible for three additional units, also played a role in the procurement problems found. The new Procurement Officer has nine years of experience as a procurement officer and is solely responsible for the procurement unit. Mr. Rogan stated that additional efforts include better communication practices among the Procurement Officer, the Procurement Director and the Executive Director.

On motion of Kieu-Anh King, seconded by Avianna Uribe, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

9. Department of Public Works Petty Cash Fund - Follow-Up Review (7/1/13) (Continued from the meetings of 7/17/13 and 8/21/13). (13-3212)

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

10. Probation Department Juvenile Camps - Department of Justice Settlement Agreement Monitoring for September 1, 2012 through November 30, 2012 - Eighth Status Report (7/11/13) (Continued from meeting of 8/21/13). (13-3515)

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

11. Department of Parks and Recreation - Review of Trust Funds, Special Funds, Commitments, and Accounts Payable (7/12/13) (Continued from the meeting of 8/21/13). (13-3526)

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

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12. Department of Community and Senior Services - Workforce Investment Act Funding (Board Motion No. 5-F, June 24, 2013) (7/16/13) (Continued from the meeting of 8/21/13). (13-3527)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

13. Department of Public Health - Mileage, Travel, and Auto Damage Claims Review (7/17/13) (Continued from the meeting of 8/21/13). (13-3529)

Jeremy Cortez, Department of Public Health, reported that the Mileage Authorization Reimbursement System (MARS) is projected to be fully implemented by the January 2014 deadline. The department has approximately 38,000 mileage participants and five budget units. The implementations will begin with small units in October 2013 followed by three additional units in November and December 2013. Mr. Cortez added that most of the findings are anticipated to be eliminated with the implementation of MARS.

In response to questions posed by Dorinne Jordan with regard to department actions, taken for unpermitted commuting claims, Raymond Low, Department of Public Health, reported that current practices are being re-evaluated to determine how the policy can be updated.

Dorinne Jordan instructed Department of Public Health staff to determine specific actions taken for one of the finding in the report and report back to the Committee.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

14. District Attorney's Office - Payroll/Personnel Review (8/12/13) (Continued from meeting of 8/21/13). (13-3830)

Dorinne Jordan instructed Executive Office staff to follow up with the Chief Executive Office (CEO) in an effort to have the CEO and the Justice Deputies discuss this item at the next Public Safety Cluster meeting.

On motion of Avianna Uribe, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

15. Fiscal Year 2012-13 Fourth Quarter Report and Annual Recap on Audit-Related Funding Transferred from General Fund Departments (8/15/13). (13-4052)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Review of the Consolidated Fire Protection District Budget and Financial Position for Fiscal Year 2011-12 (Board Agenda Item 45, September 4, 2012) (8/15/13). (13-4054)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Department of Public Works Procurement Review (8/21/13). (13-4061)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

18. Semi-Annual Fraud Hotline Status Report - January 1, 2013 through June 30, 2013 (8/23/13). (13-4063)

Guy Zelenski, Auditor-Controller, Office of County Investigations, provided a brief description of the content in the Semi-Annual Fraud Hotline Status Report and stated that his office conducts follow up visits to pending disciplinary cases.

Robert Campbell, Auditor-Controller, stated that a significant growth has been detected for the hotline reporting, since 2008. Mr. Campbell added that the increase in reporting may be a result of initiatives and outreach efforts that provided venues to report existing misconduct.

In response to questions posed by Lori Glasgow, Mr. Zelenski reported that substantiated cases have been stalled between 35% and 43% since 2008.

Wendy Watanabe, Auditor-Controller, reported that the percentage of substantiated cases will be determined once the all of the cases have been completed, in May.

Mr. Zelenski stated that proactive efforts include the training County managers, on an annual basis, to identify possible fraud cases.

Mr. Campbell provided a brief summary of steps taken by his office for fraud cases reported.

Discussion ensued among Auditor-Controller staff and Committee members with regard to differences between cases investigated by the Department of Auditor-Controller and other departments.

Dorinne Jordan instructed Auditor-Controller staff to further categories substantiated cases, in the next report, as an effort to help analyze and determine which cases require legal actions.

On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 19.** Department of Public Social Services - State Mandated Financial and Compliance Audits of Program Contracts - Fiscal Year 2011-12 (8/27/13). (13-4070)

Maria Rodriguez, Department of Public Social Services, provided a schedule reflecting the status for findings of the FY 2011-12 fiscal compliance audit. Ms. Rodriguez reported that all of the overpayments have been collected and all of the recommendations have been fully resolved.

In response to a question posed by Kieu-Anh King, Ms. Rodriguez reported that the audit was done using contracts that were expired, but not necessarily expired for any particular cause.

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Audit of the Los Angeles County Flood Control District for the Year Ended June 30, 2012 (9/4/13). (13-4286)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Proposition A Contract - Chief Executive Office Workers' Compensation Contracts With York Risk Services Group And Tristar Risk Management (Board Agenda September 10, 2013, Item 15) (9/6/13). (13-4283)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. 1736 Family Crisis Center - A Department of Mental Health Contract Service Provider - Contract Compliance Review (9/9/13). (13-4291)

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

23. Los Angeles County Superior Court - Collections Operations Review (Board Agenda Item 39-A, February 12, 2013) (9/9/13). (13-4292)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

24. Report of Monies Owed to Third Parties as of June 30, 2013 (9/10/13). (13-4310)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSIONS

25. Pending Audits/Monitoring Reports. (13-4037)

There was no discussion on this item.

26. Discuss possible alternatives to process sensitive audit reports (Continued from meetings of 7/17/13 and 8/21/13). (13-3211)

By Common consent, there being no objection, this item was continued to the next meeting.

VI. MISCELLANEOUS

27. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (13-4038)

There were no matters presented.

28. Public Comment. (13-4039)

No members of the public addressed the Committee.

29. Adjournment. (13-4040)

There being no further business to discuss, the meeting adjourned at 12:00 p.m.